VZCZCXRO8746 PP RUEHFK DE RUEHKO #4101 2050223 ZNR UUUUU ZZH P 240223Z JUL 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 4583 RUEKJCS/SECDEF WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA PRIORITY RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY RHHMHBA/COMPACFLT PEARL HARBOR HI//N541// PRIORITY RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// PRIORITY RUHBANB/OKINAWA FLD OFC US FORCES JAPAN CP BUTLER JA PRIORITY RHMFIUU/COMUSJAPAN YOKOTA AB JA PRIORITY INFO RUEHFK/AMCONSUL FUKUOKA 7336 RUEHOK/AMCONSUL OSAKA KOBE 0642 RUEHBJ/AMEMBASSY BEIJING 3421 RUEHMO/AMEMBASSY MOSCOW 1155 RUEHUL/AMEMBASSY SEOUL 9564 RUCNDT/USMISSION USUN NEW YORK 1298 RHEHAAA/NSC WASHDC

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STATE FOR I/RF, PA/PR/FPC/W, IIP/G/EA, EAP/PD, R/MR, EAP/J, EAP/P, PM; USTR FOR PUBLIC AFFAIRS OFFICE; TREASURY FOR OASIA/IMI; SECDEF FOR OASD/PA; CP BUTLER OKINAWA FOR AREA FIELD OFFICE; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR

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SUBJECT: MEDIA REACTION Q NORTH KOREA - TOKYO

LEAD STORIES: Monday morning's Yomiuri front-paged a report that the GOJ is considering revising an ordinance of the Foreign Exchange and Foreign Trade Law to require some companies in Japan with business ties with North Korea to disclose the export destinations of about 40 materials that could aid Pyongyang in the development of missiles and weapons of mass destruction.

- 11. "Financial Sanctions on North Korea: National Will Must Be Made Clear" An editorial in the top-circulation, moderate Yomiuri commented (7/24): "North Korea's nuclear program and missiles pose an exceptional threat to the security of Japan, and every means must be taken to eliminate that threat. Following its imposition of a sixmonth ban on visits by the North Korean ferry Man Gyong Bong-92 to Japanese ports, the government has placed financial sanctions on the DPRK. The GOJ will now identify companies and individuals involved with North Korean missile and WMD development and 'blacklist' them in an official gazette. These firms and individuals will not be allowed to transfer money to North Korea, and any bank accounts they hold in Japan will be frozen....
- 12. "North Korea continues to refuse to return to the sixparty talks unless the US lifts its own financial sanctions, which have apparently dealt it a serious blow. The US and Japan, joined by countries like Britain, France, and Australia, could become the core members of a coalition of the willing.... There is a need to increase the number of countries that will implement the UNSC resolution on North Korea. Pyongyang continues to hold that it is not bound in any way by the resolution. With the DPRK refusing to comply with international calls to return to the six-party talks and freeze its missile program, it is necessary to expand the targets of

financial sanctions."

SCHIEFFER